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CENTRAL INTELLIGENCE BULLETIN  
8 AUG 1972

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DIRECTORATE OF  
INTELLIGENCE

# *Central Intelligence Bulletin*

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8 August 1972

# *Central Intelligence Bulletin*

## CONTENTS

SOUTH VIETNAM: Situation report. (Page 1)

25X6

NATO-MBFR: Parallel talks sought on force reductions and security conference. (Page 4)

ITALY: Centrist government faces important vote in legislature. (Page 5)

NONALIGNED CONFERENCE: Proceedings will be dominated more by rhetoric than substance. (Page 6)

BOLIVIA: Dissatisfaction with President Banzer is increasing. (Page 7)

PAKISTAN-BANGLADESH: Second thoughts on recognition (Page 8)

25X1B

URUGUAY: No new loans (Page 9)

SECRET



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SECRET

**SOUTH VIETNAM:** Government forces have moved closer to the Quang Tri City citadel, but continue to encounter intensive Communist artillery fire.

Lead elements of South Vietnamese Marine units are now near the citadel's northeastern and southeastern corners, and the marines are also trying to move to the west of the fortress along the Thach Han River in the hope of cutting this enemy supply route. More than 1,500 artillery and mortar rounds were fired at marine positions around the city on 6 August, and one battalion commander has told a reporter that his troops will not be able to clear the city until the enemy's large artillery pieces are silenced.

To the south in Thua Thien Province, the Hue citadel was again struck by rocket fire, and government positions guarding the western approaches to Hue continue to be shelled. One of these positions, newly retaken Outpost Checkmate, successfully repulsed an enemy ground attack.

Elsewhere, Communist forces continue to be active against hamlets in northern Quang Ngai Province along the central coast and against isolated government troop positions and villages in Kontum and Pleiku provinces in the highlands, where the enemy appears to be foraging for supplies. (SECRET NO FOREIGN DISSEM)

8 Aug 72

Central Intelligence Bulletin

1

Next 1 Page(s) In Document Exempt

SECRET

NATO-MBFR: The NATO allies have agreed that the US should sound out the Soviets on their willingness to participate in exploratory talks on mutual and balanced force reductions in parallel with those for a Conference on Security and Cooperation in Europe tentatively proposed for November.

The allies approved the new soundings as a result of a growing impression that Moscow has become increasingly cool toward MBFR in recent weeks. The Soviets, during President Nixon's visit, agreed to simultaneous talks on the two subjects. Nonetheless, Foreign Minister Gromyko, during his visit to the Benelux countries in June, seemed to prefer that any MBFR negotiations should follow a CSCE.

Although the allies agreed--despite their distrust of bilateralism--that the US should try to clarify the Soviet attitude, it remains doubtful that they are prepared to insist on parallelism if the Soviet response is negative. In discussions during the past few days, several of the allies have said that they are unwilling to make progress on MBFR a precondition for going ahead with a CSCE. Moreover, in favoring an informal US approach to Moscow over the formal demarches the US had earlier proposed, the allies clearly wished to avoid the risk to a CSCE that a negative Soviet position might pose.

Pending the outcome of the US approach, the North Atlantic Council will attempt again this week to agree on how to proceed in the event the Soviet attitude toward MBFR is more favorable than it has lately seemed. Despite progress made in last week's discussions, the allies are still not of one mind on such questions as the representation of NATO members in the explorations, the geographical area to be included in the proposed force reductions, or even the site of the talks. (CONFIDENTIAL NO FOREIGN DISSEM)

8 Aug 72

*Central Intelligence Bulletin*

4

SECRET



SECRET

ITALY: The new centrist government faces an important test vote in the Chamber of Deputies this week.

Prime Minister Andreotti's government has majorities of about 20 in the 630-member Chamber of Deputies and perhaps four in the 323-seat Senate, but has been unable to control absenteeism. Over the past month in both the Chamber and the Senate, the Communists and Socialists, with the neo-fascists, have passed three expensive amendments to an important government pension bill. Andreotti has recalled the Chamber from its summer recess in an effort to delete the latest Communist-backed amendment, which the government finds particularly onerous.

To be forced to accept amendments passed with the help of the Communists would be especially embarrassing to the Andreotti government. The exclusion of the left-of-center Socialists from the government earlier this summer was based in part on their insistence that the government should permit the Communists to play a somewhat enlarged role in the legislative process. In contrast, conservatives maintained that the government should revert to rigid interpretation of its postwar rule that Communist parliamentary votes could not be allowed to play an effective role.

The vote this week will be an important test of strength. The outcome is uncertain, but the approach of Italy's sacrosanct two-week holiday beginning 15 August strengthens the government's chances for survival, at least temporarily. (CONFIDENTIAL)

8 Aug 72

Central Intelligence Bulletin

5

SECRET

SECRET

NONALIGNED CONFERENCE: The foreign ministers of 25 to 30 "nonaligned" nations begin four days of meetings in Georgetown, Guyana, today to consider the effects of great power detente and other "third-world" themes.

Delegates will evaluate international developments since the last nonaligned summit in Zambia in 1970, and will attempt to formulate a common strategy for the 27th UN General Assembly. They will also attempt to lay the groundwork for a nonaligned heads of government summit to be held in 1973 or 1974. Issues included on the agenda are: consideration of the significance to the nonaligned of great power detente, the European Security Conference, colonialism and apartheid in Africa, conflicts in the Middle East and Vietnam, and the Law of the Sea.

Proceedings will be dominated more by rhetoric than substance, however, and the concept of nonalignment is not likely to regain its lost momentum. Anti-US and anti-imperialist propaganda will be heavily emphasized, and Cuba's Foreign Minister Raul Roa will probably play a major part. A number of liberation movements have been accorded observer status. Problems over the accreditation of some delegations, the paucity of specific issues that a majority of the nonaligned can agree on, and the increasing irrelevance of the concept of nonalignment will militate against substantive progress. At least partly for domestic reasons, traditional leaders of the movement, such as Yugoslavia and Egypt, are taking little interest in this conference. India, however, in the hopes of reinforcing its non-aligned credentials, may attempt to play a more active part.

Guyana's Prime Minister Forbes Burnham believes, nevertheless, that his stature, Guyana's role as a third-world leader, and the glimmer of hope for a third-world movement can be upheld so long as rancorous divisions are avoided. (CONFIDENTIAL)

8 Aug 72

*Central Intelligence Bulletin*

6

SECRET

SECRET

BOLIVIA: Dissatisfaction with President Banzer is increasing, and a number of plots against him are being reported.

Many military officers distrust the Movement of the Revolutionary Left (MNR), one of the political parties in Banzer's National Popular Front. They may hope to weaken the government by making it impossible for the MNR to remain in the coalition. These officers, who are dissatisfied with Banzer's policies, then would hope to take control of the government.

MNR leaders have been trying to convince these officers that the party harbors no subversive intentions, and the recent dismissal of one of its most outspoken leaders may help this aim. The MNR almost withdrew voluntarily from the government two weeks ago after a dispute between MNR chief Victor Paz Estenssoro and the head of the army engineers. Cabinet changes are expected around 20 August, one year after the coup that brought Banzer to power. Although these could help to reconcile the competing interests, Banzer will have to maintain a tricky balancing act. (SECRET NO FOREIGN DISSEM)

8 Aug 72

*Central Intelligence Bulletin*

7

SECRET

NOTES

PAKISTAN-BANGLADESH: President Bhutto appears to be having second thoughts about recognizing Dacca this month. On 27 July, Bhutto's information minister made remarks to the press that strongly suggested the government wanted the National Assembly to vote for recognition when it meets next week. On 1 August, however, Bhutto backed away from this position slightly when he told reporters that it was up to his political party to decide whether the issue would be considered in the assembly. He has now moved even further away, telling the US chargé that it might not be advisable to bring recognition of Bangladesh before the National Assembly at this time. He mentioned his preoccupation with the volatile language issue in the Sind and opposition efforts to embarrass his government. Bhutto may be worried that consideration of recognition now could raise a contentious issue at an unpropitious time in domestic politics. (CONFIDENTIAL)

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8 Aug 72

Central Intelligence Bulletin

8

**SECRET**

URUGUAY: President Bordaberry's economic recovery program is threatened because the government has been unable to secure new loans from either public or private sources. Despite a small seasonal increase in meat exports, the balance of payments remains under heavy pressure. If the needed loans are not forthcoming, foreign exchange reserves could decline by as much as \$20 million this year. Uruguay then would be ineligible to draw the remaining funds under the International Monetary Fund's standby credit. Moreover, Montevideo probably would have to tighten exchange controls further, which could have a depressing effect on business confidence and postpone economic recovery. (CONFIDENTIAL)

8 Aug 72

*Central Intelligence Bulletin*

9

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